

Republicans' Partisan Tax Reform Framework: Tax Cuts for the Wealthy at the Expense of the Middle Class

Last week, House and Senate Republicans, along with the Trump administration, released their joint tax reform framework, which provides tax cuts for the wealthiest 1% of Americans at the expense of the middle class and explodes the deficit.

Republicans continue to falsely claim that their framework is a tax cut for middle-class families:

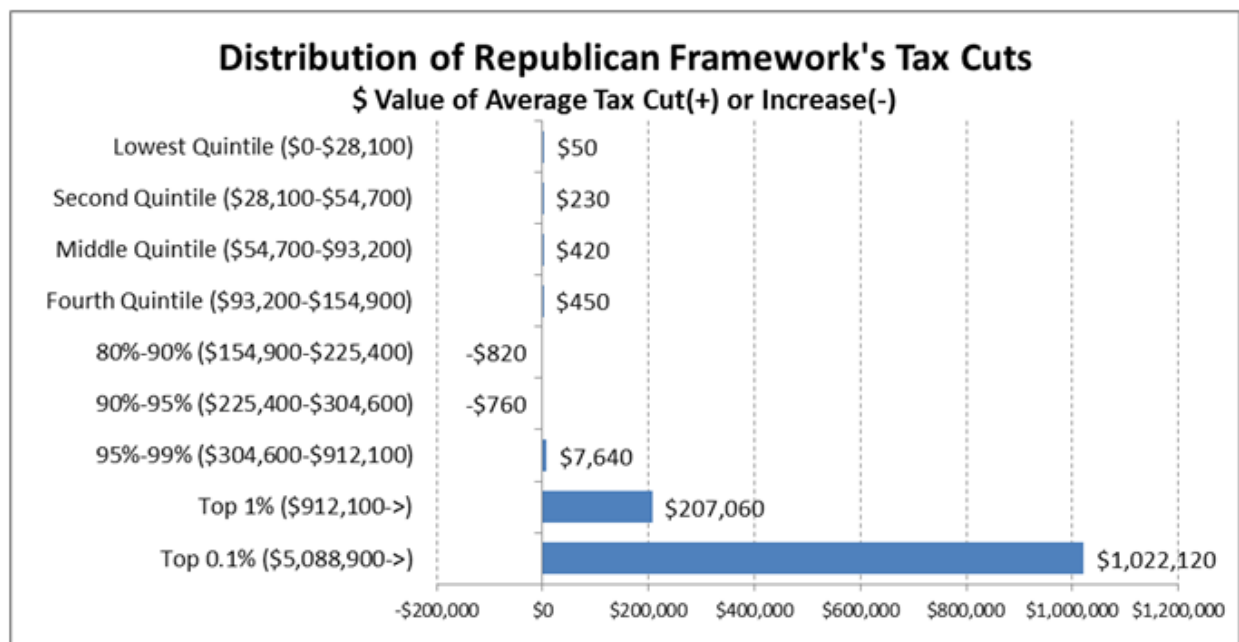
House Speaker Paul Ryan (R-WI): “That's the purpose of doing [tax reform]... The purpose of this is to get a middle-class tax cut.” [The Hill, [10/1/17](#)]

Ways and Means Chairman Kevin Brady (R-TX): “I think those who benefit most are middle-class families struggling to keep every dollar they earn...” [Washington Post, [9/28/17](#)]

President Trump: “No, I don't benefit. I don't benefit... In fact, very, very strongly, as you see, I think there's very little benefit for people of wealth.” [Washington Post, [9/28/17](#)]

But a look at analysis by the [Tax Policy Center](#) analysis shows that's not true:

- 80% of the total tax cuts would go to the wealthiest 1% of Americans, who earn *at least* \$900,000.
- One in three middle class families making between \$50,000 and \$150,000 would get a tax increase.



Data Source: Tax Policy Center

Recent press reports highlight that this tax reform framework benefits the wealthiest Americans while leaving the middle class behind.

“Despite repeated promises from Republican lawmakers that the plan is designed to provide relief to the middle class, nearly 30 percent of taxpayers with incomes between \$50,000 and \$150,000 would see a tax increase...” [Washington Post, [9/29/17](#)]

Office of Democratic Whip Steny H. Hoyer, 10/10/2017

“While some households would probably get tax cuts, others could end up paying more....The plan would not benefit lower-income households that do not pay federal income taxes. The president is not proposing measures like a reduction in payroll taxes, which are paid by a much larger share of workers, nor an increase in the earned-income tax credit, which would expand wage support for the working poor.” [New York Times, [9/27/17](#)]

“The top 1 percent would be the biggest winners under Republicans' plans to rewrite the tax code, according to a new analysis, while some moderate-income people would face tax increases.” [Politico, [9/29/17](#)]

“Most of the tax break would go to high-income Americans...” [CNBC, [10/6/17](#)]

Economists and tax experts agree that the Republicans' plan would disproportionately help the wealthiest Americans.

Mark J. Mazur, Director of the Tax Policy Center: “It’s hard to see if you continue to have those provisions in a tax proposal that it doesn’t benefit high income individuals and households disproportionately” [New York Times, [9/29/17](#)]

Eric Toder, Co-director of the Tax Policy Center: “A major feature is tax collections would shift dramatically, from businesses to individuals...” [New York Times, [9/29/17](#)]

Kyle Pomerleau, Analyst at the Tax Foundation: ““There is no strong policy justification for the special pass-through rate in the GOP's plan,” [said Pomerleau.] Since pass-through earnings represent around one-third of all income for the top 1 percent of taxpayers, Pomerleau added, the provision tilts the plan's benefits toward the wealthy while favoring one kind of business over others.” [CNBC, [10/6/17](#)]

Maya MacGuineas, President of the Committee for a Responsible Federal Budget: “It's going to be hard to mold this into something where the middle class is the big winner. And the reason for that, or course, is that the upper-income earners are those that pay the most in taxes...If you're going to reform the tax code, a lot of times it's going to be the people who pay the most taxes who end up with those bigger breaks.” [NPR, [10/4/17](#)]

Len Burman, Fellow at the Urban Institute: ““One thing I find troubling about big, deficit-financed tax cuts is it kind of looks like a free lunch.’ Burman pointed out that the burden of the postponed taxes could fall on lower- and middle-income people in the future, through tax increases or cuts to programs that benefit those groups.” [Washington Post, [9/29/17](#)]

Lily Batchelder, Law professor at New York University and Deputy Director of the National Economic Council under President Obama: “In broad brush strokes, they’re doing nothing for the bottom 35 percent, they’re doing very little and possibly raising taxes on the middle class, and they’ve specified tax cuts for the wealthy.” [New York Times, [9/27/17](#)]

Republicans’ tax reform framework is a partisan exercise that cuts taxes for the wealthiest Americans at the expense of the middle class while exploding the nation’s deficit. True reform of the American tax code must be a collaborative, bipartisan effort.